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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91177858
Party	Defendant Nordstrom, Inc.
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BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

ZANELLA, LTD.,)	
)	Opposition No. 91177858
Opposer/Respondent,)	
)	Application No. 77025247
v.)	
)	
NORDSTROM, INC.,)	
)	Docket No. 700043.80073
Applicant/Petitioner.)	
_____)	

**APPLICANT'S RESPONSE TO OPPOSER'S
MOTION TO RESUME PROCEEDING**

Applicant/Petitioner Nordstrom, Inc. ("Applicant") hereby responds to the Motion to Resume Proceeding filed by Opposer/Respondent Zanella Ltd ("Opposer") on March 21, 2008.

On January 15, 2008, Applicant filed concurrently a motion for summary judgment, a motion to amend its answer to add a counterclaim, and a motion to suspend this proceeding pending disposition of the motion for summary judgment and motion to amend. The Board granted Applicant's motion to suspend on January 22, 2008. Suspension is appropriate for the reasons set forth below, and therefore Opposer's motion to resume should be denied.

Trademark Rule 2.127(d) provides for suspension in the event that a party files a "motion for summary judgment ... which is potentially dispositive of a proceeding."

As indicated above, Applicant has moved to amend its answer to add a counterclaim cancelling Opposer's pleaded registrations for fraud. The Trademark Rules specifically permit a defense attacking the validity of Opposer's pleaded registrations to be raised either as a

counterclaim or as a separate petition to cancel – the better practice being to raise the defense as a counterclaim. *See* TBMP § 313.01. A counterclaim cancelling a pleaded registration is the legal equivalent of a petition to cancel. *Id.* Thus, Applicant submits that its summary judgment motion, which is potentially dispositive of its counterclaim, is the legal equivalent of a motion potentially dispositive of a “proceeding.”

In addition, the Board has applied Trademark Rule 2.127(d) to suspend proceedings in light of a motion that is potentially dispositive of a “claim.” *See United States Olympic Committee v. Dr. Ing. H.c.F Porsche A.G.*, 2001 WL 760043, *4 (TTAB July 6, 2001) (“Because applicant’s motion to strike is potentially dispositive of opposer’s claim under Section 2(a), opposer’s motion to suspend is hereby granted as well taken; and proceedings now are considered to have been suspended pending decision on applicant’s motion to strike.” (citing 37 C.F.R. 2.127(d)). Thus, Applicant’s summary judgment motion which is potentially dispositive of its counterclaim falls within the purview of Trademark Rule 2.127(d).

In any event, to the extent the Board finds Trademark Rule 2.127(d) inapplicable, it is within the Board’s discretion to suspend proceedings for good cause. 37 C.F.R. § 2.117(c). There exists good cause for suspending the present proceeding. The cancellation of each and every pleaded registration eliminates the legal presumption of Opposer’s exclusive right to use its ZANELLA marks nationwide on or in connection with the goods listed in the registrations. Upon cancellation, Opposer will have the burden of coming forward with evidence to establish the scope of its common-law rights under its ZANELLA marks. The scope of such rights goes to the heart of the analysis of a claim of likely confusion under Section 2(d). Opposer should not be able to proceed in this case under legal presumptions to which it is not entitled for goods it has never sold. Furthermore, Applicant should not be burdened with the uncertainty of planning its discovery and other aspects of its defense prior to this important issue being resolved. Applicant therefore submits that there exists good cause for suspending the proceeding pending decision on Applicant’s motion for summary judgment.

Opposer’s contention that Applicant’s counterclaim is a “diversion” and that it will have “no bearing on the outcome of this case” is unfounded. The Board determined in a recent

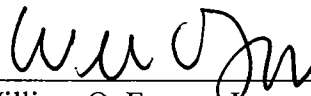
proceeding involving Opposer's ZANELLA marks that public recognition of Opposer's ZANELLA mark has been "confined to the limited segment of men's high-end trousers, and little else." *Zanella Ltd. v. Saroyan Lumber Co.*, Opposition No. 91153249, at 8 (TTAB June 23, 2005) (not precedent of the TTAB). Yet, Opposer's Notice of Opposition in this matter pleads multiple registrations for numerous goods for which its mark is not in use. Removing any suggestion of a false sense of breadth stemming from Opposer's registrations and requiring Opposer to rely on its limited common-law rights will certainly effect the likelihood of confusion analysis. Thus, the Board's January 22, 2008 suspension order is proper under Trademark Rule 2.117(c).

Finally, Applicant notes that Opposer's Motion to Resume may be barred by the Board's January 22, 2008 Order, which states "[a]ny paper filed during the pendency of [Applicant's motion for summary judgment and motion to amend], which is not relevant thereto, will be given no consideration."

For the reasons set forth above, Applicant respectfully requests that Opposer's motion to resume be denied.

DATED this 3rd day of April, 2008.

Respectfully submitted,
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CERTIFICATE OF SERVICE

I, Annette Baca, hereby certify the foregoing **APPLICANT'S RESPONSE TO OPPOSER'S MOTION TO RESUME PROCEEDING** was served upon Opposer's counsel by depositing same with the U.S. Postal Service, first-class postage prepaid, on April 3, 2008, addressed as follows:

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